ALLIANZ COMMERCIAL

Allianz Risk Barometer

Identifying the major business risks for 2026

The most important corporate concerns for the year ahead, as ranked by 3,338 risk management experts from 97 countries and territories

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Methodology

The 15th **Allianz Risk Barometer** incorporates the views of 3,338 respondents from 97 countries and territories. The annual corporate risk survey was conducted among Allianz customers (businesses around the globe), brokers and industry trade organizations. It also surveyed risk consultants, underwriters, senior managers, claims experts, as well as other risk management professionals in the corporate insurance segment of Allianz Commercial and other Allianz entities.

Respondents were questioned during October and November 2025. The survey focused on large, smaller and mid-size companies. Respondents were asked to select the industry about which they were particularly knowledgeable and to name up to three risks they believed to be most important.

Most answers were for large companies (>US$500mn annual revenue) [1,471 respondents, 44%]. Mid-size companies ($100mn+ to $500mn revenue) contributed 816 respondents (24%), while smaller enterprises (<$100mn revenue) produced 1,051 respondents (31%). Risk experts from 23 industry sectors were featured.

Ranking changes in the **Allianz Risk Barometer** are determined by positions year-on-year, not percentages.

↗ View the full regional, country and industry risk data

Countries and industry sectors need at least 15 respondents to feature in the **Allianz Risk Barometer results appendix**.

3,338	97	23
respondents	countries and territories	industry sectors

Artificial intelligence risk category was called New technologies (e.g., risk impact of artificial intelligence) in the Allianz Risk Barometer 2025.

Talent or labor issues risk category was called Shortage of skilled workforce in the Allianz Risk Barometer 2025.

Contents

The most important global business risks for 2026

1
42%
→
2025: 1 (38%)

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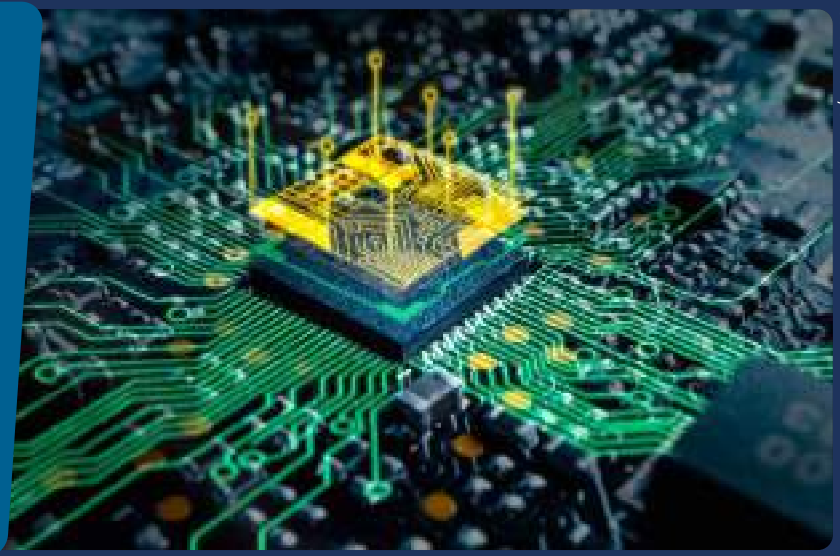
Cyber incidents

(e.g., cyber crime, IT network and service disruptions, malware / ransomware, data breaches, fines, and penalties)

2
32%
↗
2025: 10 (10%)



Gorodenkoff / Shutterstock

Artificial intelligence

(e.g., implementation challenges, liability exposures, misinformation / disinformation)

3
29%
↘
2025: 2 (31%)

Aleksandr Medvedkov / Shutterstock

Business interruption

(incl. supply chain disruption)

4
26%
→
2025: 4 (25%)

Haikalceriativemark / Adobe Stock

Changes in legislation and regulation

(e.g., tariffs, new directives, sustainability requirements)

5
21%
↘
2025: 3 (29%)

Bandersnatch / Shutterstock

Natural catastrophes

(e.g., storm, flood, earthquake, wildfire)

6
19%
↘
2025: 5 (19%)

Bilanol / Shutterstock

Climate change

(e.g., physical, operational and financial risks as a result of extreme weather)

7
15%
↗
2025: 9 (14%)

Mr.Nino / Shutterstock

Political risks and violence

(e.g., war, political instability, terrorism, polarization, coup d'état, civil unrest, strikes, riots, looting)

8
14%
↘
2025: 7 (15%)

ftpinkcat84 / Adobe Stock

Macroeconomic developments

(e.g., inflation, deflation, monetary policies, austerity programs)

9
13%
↘
2025: 6 (17%)

vichie81 / Shutterstock

Fire, explosion[1]

10
13%
↘
2025: 8 (14%)

jopix / Shutterstock

Market developments

(e.g., intensified competition / new entrants, M&A, market stagnation, market fluctuation)

Ranking changes are determined by positions year-on-year, ahead of percentages.

The 15th annual **Allianz Risk Barometer** survey was conducted among Allianz customers (global businesses), brokers and industry trade organizations. It also surveyed risk consultants, underwriters, senior managers and claims experts in the corporate insurance segment of Allianz Commercial and other Allianz entities.

View the full Allianz Risk Barometer 2026 rankings here

Rank		Percent	2025 rank	Trend
11	Critical infrastructure blackouts *(e.g., power disruption)* or failures *(e.g., aging dams, bridges, rail tracks)*[2]	8%	*12 (9%)*	↗
12	Talent or labor issues	8%	*11 (9%)*	↘
13	Energy crisis *(e.g., supply shortage / outage, price fluctuations)*	6%	*13 (8%)*	→
14	Theft, fraud, corruption[3]	5%	*14 (7%)*	→
15	Insolvency	5%	*16 (6%)*	↗
16	Loss of reputation or brand value *(e.g., public criticism)*[4]	4%	*15 (7%)*	↘
17	Biodiversity and nature risks *(e.g., water scarcity)*[5]	4%	NEW	↗
18	Product recall, quality management, serial defects	4%	*18 (4%)*	→
19	Human health risk *(e.g., pandemic outbreak)*	3%	*19 (3%)*	→
20	Pollution event	1%	*17 (6%)*	↘
	Other	*2%*		

Source: Allianz Commercial

Figures represent the number of risks selected as a percentage of all survey responses from 3,338 respondents. All respondents could select up to three risks per industry, which is why the figures do not add up to 100%.

NEW New entry in the top risks

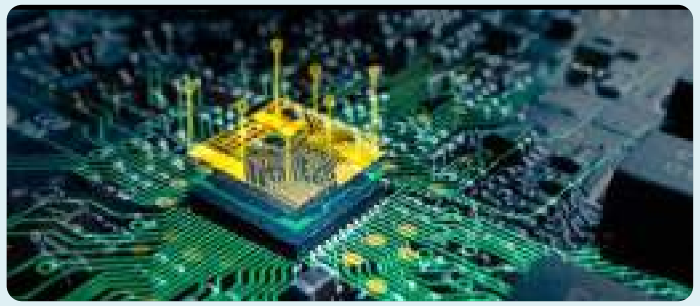
Key

↑ Risk higher than in 2025
↓ Risk lower than in 2025
→ No change from 2025
(5%) 2025 risk ranking %

1 Fire, explosion ranks higher than market developments based on the actual number of responses
2 Critical infrastructure blackouts ranks higher than talent or labor issues based on the actual number of responses
3 Theft, fraud, corruption ranks higher than insolvency based on the actual number of responses
4 Loss of reputation or brand value ranks higher than biodiversity and nature risks based on the actual number of responses
5 Biodiversity and nature risks ranks higher than product recall, quality management, serial defects based on the actual number of responses

Risk developments – 10 survey snapshots


ImageFlow / Shutterstock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Bandersnatch / Shutterstock

Cyber incidents is the top global risk for 2026 and by a higher margin than ever before – 10% ahead of the closely-linked peril of artificial intelligence (AI). It is the fifth year in a row cyber ranks #1. A decade ago, it ranked only #8. It is the top risk across all company sizes (large, mid-sized and small).

AI climbs to its highest-ever position of #2, up from #10. Both cyber and AI now rank as top five concerns for companies in almost every industry sector. As AI adoption accelerates and becomes more deeply embedded in core business operations, respondents expect related risks to intensify.

Close to half of respondents believe **AI** is bringing more benefits to their industry than risks. However, a fifth say the opposite, while the remainder believe the jury is still out. Education, retraining, and upskilling initiatives are the main actions being taken by companies in response to increasing AI adoption in the workforce. Organizations also need to implement the right risk management and governance frameworks to successfully capture AI opportunities.

Business interruption and supply chain disruption drops to #3 from #2 but this peril remains a significant concern given it can be a consequence of other risks in the global top 10. Geopolitical risks are putting supply chains under increasing pressure, but as risks rise, just 3% of respondents view their supply chains as "very resilient".

Changes in legislation and regulation remains at #4. However, there is an increase in the share of respondents, driven by concerns over factors such as tariffs. The top actions companies are taking to address their fluctuating impact is to explore new markets and products, as well as looking at renegotiating and diversifying supply chains. Meanwhile, divergence will be the defining regulatory risk of 2026, as firms have to operate in a world where major jurisdictions are moving in different directions with regard to digital/AI, prudential, and sustainability rules.

Natural catastrophes drops to #5 globally, driven by factors such as a quieter hurricane season during 2025. However, insured losses caused by cat events still hit US$100bn for the sixth year in a row. Similarly, **climate change** drops to #6. Business interruption impact, such as supply chain bottlenecks and disruption of logistics due to extreme weather events, is the main climate-related business concern for respondents.

Political risks and violence rises to its highest ever position globally at #7. Unsurprisingly, war is the peril companies are most worried about, followed by civil unrest, terrorism, and government intervention. **Global supply chain paralysis due to a geopolitical conflict involving multiple major economies** ranks as the most plausible "black swan" scenario respondents believe could impact their company in the next five years.

Macroeconomic developments drops to #8 with the global economy showing impressive resilience heading into 2026. However, the deeper story is one of shifting growth engines and rising complexity. Against a backdrop of heightened policy and geopolitical uncertainty, global momentum will increasingly be shaped by forces such as trade and migration constraints, the rapid acceleration of AI and a comeback of industrial policy – intersecting with familiar pressures such as elevated debt levels and stretched market valuations. Meanwhile, 2026 will see a fifth consecutive rise in global business insolvencies.

Few things can be more destructive and disruptive than **fire, explosion**, a perennial top 10 business risk, ranking #9 globally in 2026. **Market developments** completes the top 10 at #10, with participants cautious about the potential for an emerging AI bubble. However, both risks rank as less of a concern for businesses than last year.

As risk becomes more complex and interconnected, **integrated resilience strategies** can help to mitigate the impact. Companies now need to have forward-looking approaches to managing risk, including dynamic horizon scanning, scenario modeling, and rigorous stress testing. An integrated resilience strategy can also help avoid unintended consequences as companies adapt their operations and supply chains in response to geopolitical risks and sustainability concerns. AI can also help firms to adapt to the changing risk landscape.


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Mr.Nino / Shutterstock


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vichie81 / Shutterstock


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Allianz Risk Barometer 2026: Top concerns around the world

↗ View all country, regional and industry risk data here

The graphics show the top three risks in **selected countries** and whether each risk is considered to be more or less important than 12 months ago.

Australia

1 Artificial intelligence (AI) ↑
2 Cyber ↓
3 Changes in legislation ↓

AI is the new top business concern, while climate change (#4), and market developments (#9) are risers in the top 10 risks.

Brazil

1 Artificial intelligence (AI) ↑
2 Cyber ↓
3 Changes in legislation ↑

AI is the new top concern. Changes in legislation, macroeconomic developments (#7), and energy crisis (#10) are risers in the top 10 risks.

Canada

1 Changes in legislation ↑
2 Natural catastrophes →
3 Business interruption ↓

Changes in legislation ranks as the new top risk. AI (#4), fire (#6), and market developments (#8) are all risk risers in the top 10.

China

1 Business interruption →
2 Artificial intelligence (AI) ↑
3 Changes in legislation ↓

Business interruption remains the top risk. AI, human health risk (#9), and loss of reputation (#9) are new entries in the top 10.

Colombia

1 Artificial intelligence (AI) ↑
2 Cyber ↓
3 Political risks and violence ↑

AI is the new top risk concern. In the top 10 risks, political risks and violence is the only other riser.

France

1 Cyber →
2 Natural catastrophes →
3 Fire ↑

Cyber remains the top risk. AI (#8), and macroeconomic developments (#10) are new entries in the top 10 risks.

Germany

1 Cyber →
2 Business interruption →
3 Changes in legislation ↑

Cyber remains the top risk. In the top 10, changes in legislation, market developments (#6), and macroeconomic developments (#9) all rank higher than last year.

India

1 Cyber →
2 Artificial intelligence (AI) ↑
3 Business interruption ↓

Cyber is the top peril for the ninth year in a row. In the top 10, AI, political risks and violence (#5), and critical infrastructure blackouts (#8) are among the risk risers.

Italy

1 Cyber →
2 Business interruption ↑
3 Climate change ↑

Cyber remains the top risk. Business interruption, climate change, AI (#4), macroeconomic developments (#8), and biodiversity and nature risks (#9) are all risk risers in the top 10.

Japan

1 Cyber ↑
2 Natural catastrophes ↓
3 Business interruption →

Cyber is the new top risk concern. Political risks and violence (#4), product recall (#9), and macroeconomic developments (#10) are risers in the top 10.

Portugal

1 Cyber →
2 Artificial intelligence (AI) ↑
3 Natural catastrophes ↓

Cyber remains the top risk. AI, and macroeconomic developments (#8) rank as higher concerns year-on-year in the top 10 risks.

Singapore

1 Business interruption →
2 Cyber →
3 Artificial intelligence (AI) ↑

Business interruption remains the top risk. AI, and macroeconomic developments (#9) are risers in the top 10.

South Africa

1 Cyber →
2 Business interruption →
3 Artificial intelligence (AI) ↑

Cyber remains the top risk. AI, and biodiversity and nature risks are new entries in the top 10.

Spain

1 Cyber ↑
2 Natural catastrophes ↓
3 Fire ↓

Cyber is the new top risk. AI (#5), and critical infrastructure blackouts (#8) are the only other risers in this year's top 10 corporate risks.

UK

1 Cyber →
2 Artificial intelligence (AI) ↑
3 Business interruption ↓

Cyber remains the top risk concern. AI, climate change (#6), macroeconomic developments (#6), and talent or labor issues (#9) all rank as higher concerns year-on-year.

USA

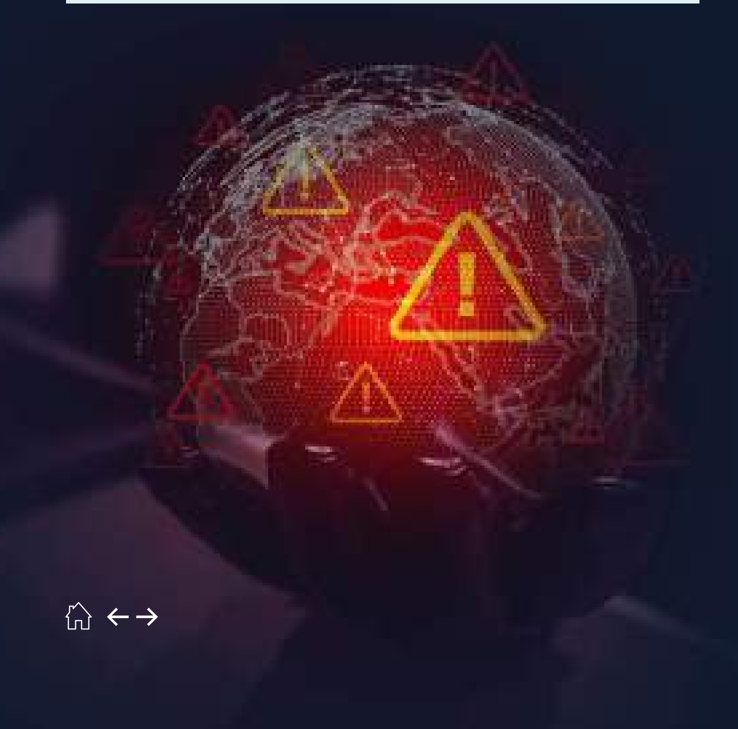
1 Cyber →
2 Business interruption ↑
3 Changes in legislation ↑

Cyber remains the top risk. AI (#4), and political risks and violence (#9) are among the risk risers in the top 10 corporate concerns.

Top global risks overview

The **Allianz Risk Barometer** tracks the most important corporate concerns for the year ahead, as voted for by 3,338 risk management experts from almost 100 countries and territories. Which are the main perils expected to occupy the thoughts of risk management practitioners in 2026?

- **Cyber tops the global ranking as AI and supply chain risks mount**
- **AI jumps to #2. Viewed as a complex source of operational, legal, and reputational risk in addition to bringing benefits and opportunities**
- **Geopolitical risks put supply chains under pressure**
- **As risks rise, just 3% of supply chains viewed as "very resilient"**
- **Integrated resilience strategies needed to address complex and systemic risk threats**
- **AI and other technologies can also help firms to adapt to the changing risk landscape.**



tete_escape / Shutterstock

Cyber incidents again ranks as the top global risk for 2026, followed by the closely linked peril of **artificial intelligence (AI)** which climbs from #10 last year. Both cyber and AI now rank as top five risks in every region and almost all the industry sectors analyzed in this year's survey.

Business interruption (incl. supply chain disruption) drops slightly to #3, having ranked either #1 or #2 in every **Allianz Risk Barometer** for the past decade. It remains a key concern at a time when operations and supply chains are under unprecedented pressure from a combination of geopolitical, digital and climate change-related risks – all of which feature in this year's top 10 global concerns.

These risks are not expected to recede any time soon – in fact the impact of geopolitical tensions, extreme weather events, and technological innovation is only likely to intensify in the years ahead. As a result, businesses large and small will need to double-down on their efforts to bolster resilience. However, just 3% of respondents in this year's survey view their supply chains as "very resilient".

"AI is the big mover in the ***Allianz Risk Barometer 2026****,"* explains **Michael Bruch, Global Head of Risk Consulting Advisory Services, Allianz Commercial.** *"Its rapid evolution and adoption are reshaping the risk landscape, making it a standout risk for businesses worldwide. Yet in many ways, it could be seen as just another risk to add to the growing list of challenges for businesses. However, AI's transformative potential means it cannot be underestimated. As the results show, many of the top perils are interconnected and highly complex risks that will impact every organization in 2026.*

"Those businesses that can develop integrated risk management and resilience strategies – that are forward-looking, strategic and functional, and agile enough to adapt to rapid change – will be best placed to capture opportunities presented by transformative technologies and seismic changes in geopolitical and societal trends."

1

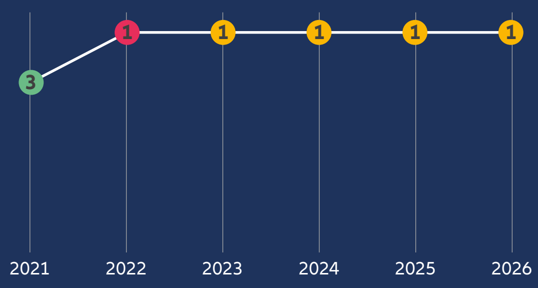
42%

Cyber incidents

(e.g., cyber crime, IT network and service disruptions, malware / ransomware, data breaches, fines, and penalties)

Ranking history:

Up on previous year No change Down on previous year



Top risk in:

- Argentina
- Belgium
- Bulgaria
- Croatia
- Czech Republic
- France
- Germany
- Hong Kong
- India
- Italy
- Japan
- Portugal
- Slovenia
- South Africa
- South Korea
- Spain
- Switzerland
- Thailand
- UK
- US

ImageFlow / Shutterstock

AI and supply chain vulnerabilities reinforce cyber as top risk

In 2026, cyber incidents is the top global risk for the fifth year in a row, with its highest-ever score (42% of responses), and by a higher margin than ever before (10%). It ranks as the main corporate concern in every region (Americas, Asia Pacific, Europe, and Africa and Middle East) surveyed in the **Allianz Risk Barometer** and is again ranked as the top risk for large (>US$500mn annual revenues), mid-sized ($100mn to $500mn) and smaller companies (<$100mn).

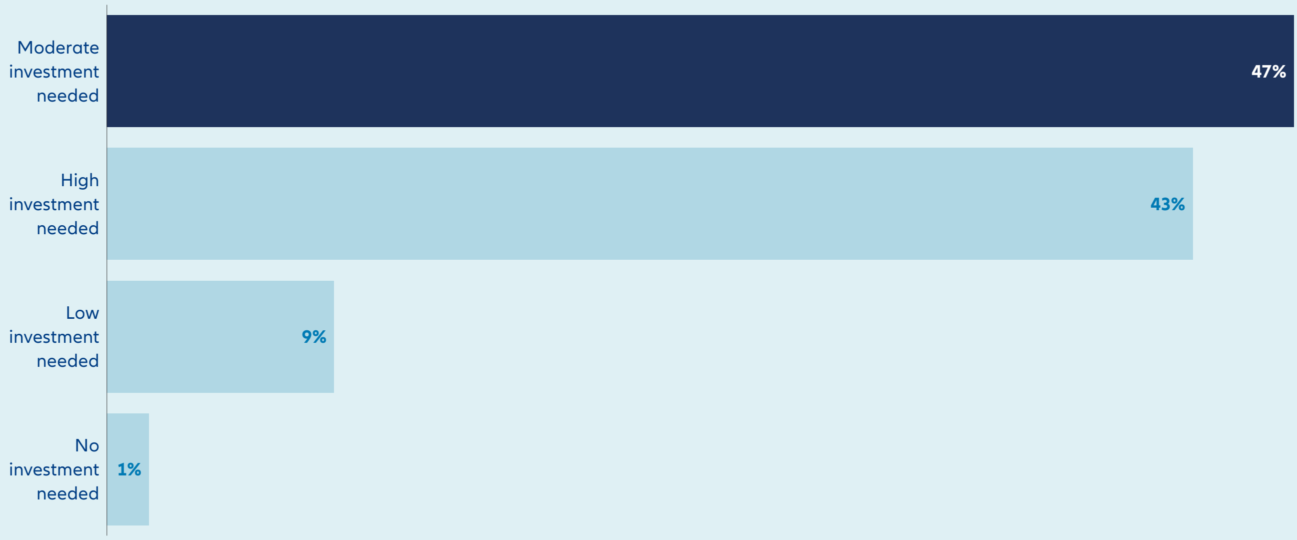
The continued presence of cyber at the top of the **Allianz Risk Barometer** reflects a deepening reliance on digital technology at a time when the cyber threat landscape, geopolitical, and regulatory environments are fast evolving, according to **Rishi Baviskar, Global Head of Cyber Risk Consulting at Allianz Commercial:**

"Large companies' investments in cyber security and resilience have been paying off, ensuring they can detect and respond to attacks early. However, cyber risk continues to evolve. Organizations are increasingly reliant on third party providers for critical data and services, while artificial intelligence (AI) is supercharging threats, increasing the attack surface and adding to existing vulnerabilities."

> "Organizations are increasingly reliant on third party providers for critical data and services, while AI is supercharging threats

Businesses are conscious of the need to invest in protection against cyber incidents, including increasing AI-driven threats. Around 90% of respondents say they anticipate making a "moderate" (47%) or "high" (43%) investment in cyber loss prevention, with just 9% intending to make a low investment.

What level of investment does your company anticipate needing to protect against cyber incidents, including increasing AI-driven threats?



Respondents: 1,395
Source: Allianz Risk Barometer 2026

"The tools to protect against cyber-attacks are costly, yet the consequences of a successful incident are potentially catastrophic with huge business interruption and supply chain costs, as well as regulatory compliance and legal implications," says **Baviskar.**

Against a background of increasing geopolitical tensions and heightened supply chain vulnerabilities, cyber is the risk of greatest concern across a broad range of industries, including manufacturing, aviation, chemicals, oil and gas, technology, telecommunications, transport, financial services, retail, food and beverage, and hospitality.

"We are now seeing costly attacks on businesses and supply chains outside the US and Europe, with notable incidents in Asia in 2025," says **Baviskar.** *"At the same time, regulations continue to tighten globally. Companies are increasingly exposed to tougher privacy and cyber security requirements in both home and export markets. For example, the European Union's (EU) updated Product Liability Directive now extends to cyber security and covers AI, software and digital systems, across the supply chain."*

Of course, cyber crime is highly profitable, with groups operating on an industrial scale. According to the FBI[1], cyber crime losses in the US soared to a record $16.6bn in 2024, a 33% increase annually. Ransomware has evolved into a sophisticated ecosystem in which specialist groups known as initial access brokers gain unauthorized access to an organization's systems, which they sell on to affiliates that carry out the attack and demand ransom payments.

Cyber criminals are adept at exploiting vulnerabilities in cyber security – such as supply chains and employees – as well as leveraging the impact of business interruption and the release of sensitive data to extract ransom payments. According to **Allianz Commercial** cyber claims analysis, ransomware accounts for 60% of the value of large cyber claims (>€1mn) seen during the first half of 2025, while 40% of the value of large cyber claims seen during this period included data theft, up from 25% in all of 2024.

At the same time, attackers are also increasingly using AI to automate attack processes, which enables them to carry out more attacks, faster and more efficiently. AI is also lowering the bar for threat actors, making it easier for criminals who lack technical skills and ransomware expertise to execute attacks.

nuclear_lily / Shutterstock

Growing concern for cyber BI and supply chains

The continuing dominance of cyber risk in the **Allianz Risk Barometer** also reflects a growing reliance on third parties for critical data and digital services. Several attacks and outages have caused significant disruption to businesses, their supply chains, customers and the wider economy over the past 12 months, with notable incidents impacting many sectors in 2025. Attacks against two UK retailers alone caused estimated losses of up to £440mn ($585mn), according to the Cyber Monitoring Centre[2].

"Digital infrastructure and technology are now critical to all businesses and their supply chains. Complex interconnected systems exist within organizations, third party suppliers and customers. As we have seen with recent incidents, a cloud outage, technical glitch or malicious attack can have huge implications for a business's ability to produce and sell its goods and services, with the effects rippling through supply chains," says **Baviskar.**

In one of the most disruptive incidents of the year, a ransomware attack halted production at UK luxury car manufacturer Jaguar Land Rover (JLR). Affecting over 5,000 organizations in JLR's supply and distribution chain, the cyber-attack is estimated to have cost as much as £2.1bn[3] ($2.8bn) which would rank it among the most costly cyber incidents ever in the UK. The attack contributed to a 30% decline in UK car production in October, as well as the surprise fall in UK GDP[4] in the same month.

When the systems of a key customer or supplier are taken out it can have serious implications for the supply chain. Companies, even when not directly affected by the cyber incident, may not be able to process orders, make payments or manufacture goods. It can take months for an organization to recover and rebuild its systems following a ransomware attack – a task that is made even more difficult when it involves a complex just-in-time supply chain with thousands of suppliers.

In addition to malicious incidents, outages of critical digital services and infrastructure due to technical glitches and/or human error are increasing in frequency and severity. Meanwhile, non-attack incidents, such as wrongful collection and processing of data, as well as technical failure, accounted for a record 28% of large claims (>€1mn) by value during 2024, according to **Allianz Commercial** claims analysis.


asharkyu / Shutterstock

Of particular concern is the oversized reliance in some sectors or organizations on a small number of third-party suppliers in areas like cloud services, software as a service, AI solutions and data processing.

More than three quarters[5] of companies use cloud services in most or all areas of their operations, yet just three companies control more than 60%[6] of the global cloud infrastructure. In November and December 2025, two separate outages at internet service provider Cloudflare disrupted thousands of websites, while major cloud service providers Amazon Web Services, Microsoft Azure and Google Cloud all suffered separate significant outages in 2025.

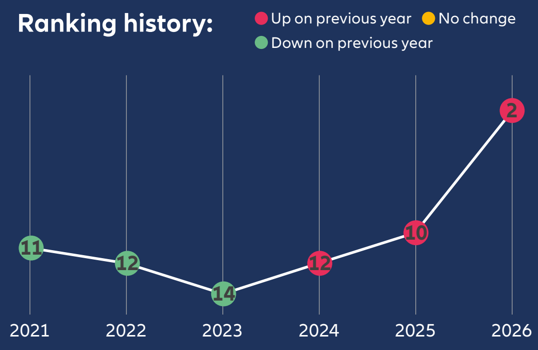
2

32%

Artificial intelligence

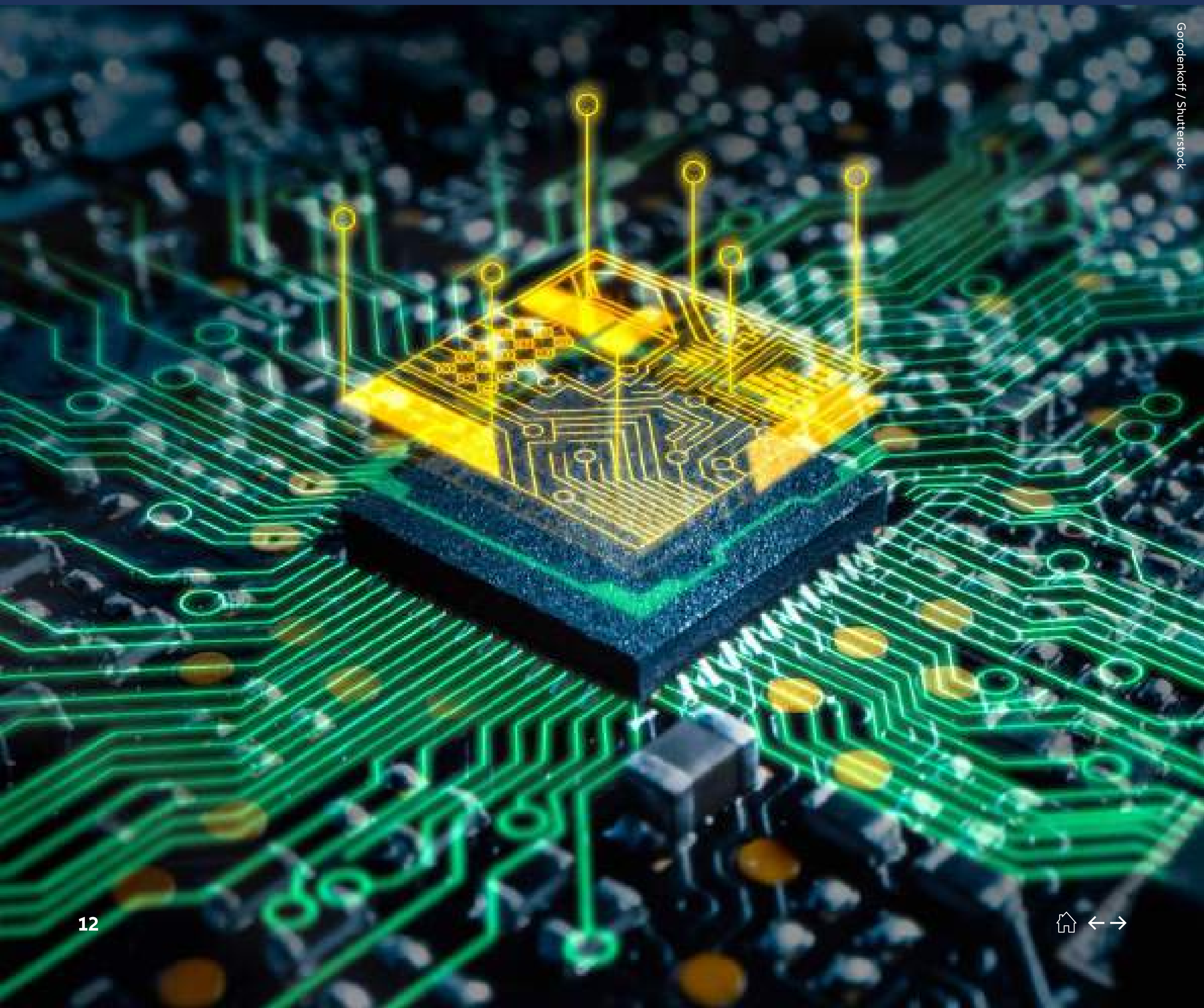
(e.g., implementation challenges, liability exposures, misinformation / disinformation)

Ranking history:



Top risk in:

- Australia
- Austria
- Brazil
- Colombia
- Greece
- Hungary
- Mexico



Gorodenkoff / Shutterstock

Uncertainty and expected intensification of risks propel AI to #2 spot

Artificial intelligence (AI) has surged into the top tier of global business concerns, rising to #2 in 2026 from #10 in 2025 – the biggest jump in this year's ranking. It is a big mover in all regions – ranked #2 in the Americas, Asia Pacific, and Africa and the Middle East, and #3 in Europe – and is a growing risk for companies of all sizes too, moving into the top three risks for large, mid-sized and small firms.

AI's rapid ascent up the rankings in this year's **Allianz Risk Barometer** is a reflection of both the risks associated with AI and its potential wider societal, political and economic implications. In just a few years since the launch of ChatGPT in 2022, AI applications and automation have become widespread, with new solutions and use cases in the pipeline.

AI is closely related to cyber, the top risk in this year's **Allianz Risk Barometer**. It also interlinks with other key risks in the top 10, including political risk, macroeconomic and market developments, and changes in legislation and regulation.

Looking ahead to 2026, as AI adoption accelerates and becomes more deeply embedded in core business operations, respondents expect AI-related risks to intensify. The rapid spread of generative and agentic AI systems, paired with their growing real-world use, has raised awareness of just how exposed organizations have become.

> “
> As more firms attempt to scale in 2026, they will face greater exposure to system-reliability issues, data-quality constraints, integration hurdles, and shortages of AI-skilled talent

“Companies increasingly see AI not only as a powerful strategic opportunity, but also as a complex source of operational, legal, and reputational risk. In many cases, adoption is moving faster than governance, regulation, and workforce readiness can keep up – pushing AI into the top tier of global risks for the first time,” **says Ludovic Subran, Chief Economist, Allianz.**

At the same time, organizations are becoming more aware of the practical challenges that come with implementation. Most remain in pilot or experimentation mode, and only a small group has begun scaling AI across the enterprise. This reveals a clear gap between ambition and actual readiness.

As more firms attempt to scale in 2026, they will face greater exposure to system-reliability issues, data-quality constraints, integration hurdles, and shortages of AI-skilled talent. Staying stuck in pilot mode carries its own risks too – investments and expectations rise, but the business value may not follow. Meanwhile, new liability exposures are emerging around automated decision-making, biased or discriminatory models, intellectual-property misuse, and uncertainty over who is responsible when AI-generated outputs cause harm.

Concerns about the resources required to manage these risks are also growing. Nearly half of respondents (47%) say the investment needed to handle AI- and cyber-intensified threats is “moderate,” while another 43% rate it as “high,” underscoring the expanding operational burden of AI adoption. And although many organizations still see AI as delivering more benefits than risks, a rising share now views it as a distinct and increasingly complex risk category *(see graphic).*

“Respondents also flag misinformation and disinformation as a rapidly growing risk. Advances in generative AI have dramatically lowered the cost and increased the sophistication of synthetic media, deepfakes, and automated persuasion. These developments threaten political stability, consumer trust, brand integrity, and even financial-market behavior. What was once a niche technical concern has now become a mainstream business and societal challenge, driven by the potential for coordinated AI-enabled information attacks,” says **Subran.**

Across the survey, respondents point to three primary categories of AI risk:

- **Operational risks:** business interruption, failed or misaligned systems, and errors cascading through automated workflows
- **Legal and compliance risks:** breaches of emerging regulations, liability for harmful AI outcomes, and sanctions under evolving governance frameworks
- **Reputational risks:** brand damage tied to misinformation, unethical AI use, data breaches, or biased decisions affecting customers or employees.

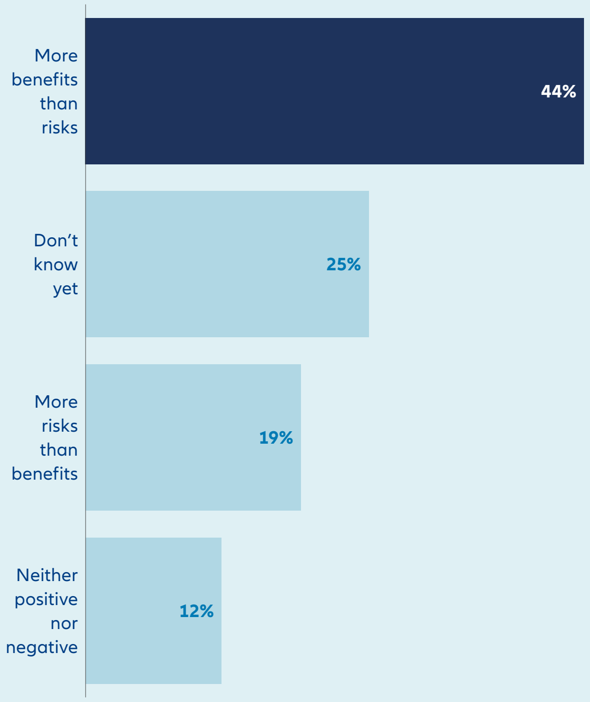
Looking ahead, organizations identify AI governance and compliance as the most urgent environmental, social, and governance (ESG)-related technology priority for 2026. Strengthening cyber security resilience and preparing for expanding regulatory and disclosure requirements in automated decision-making follow close behind.

To address these risks, companies are focusing on three core actions:

- **Upgrading AI governance frameworks,** including model-risk management, monitoring, and human-in-the-loop oversight
- **Investing in employee training and responsible-AI practices,** from bias detection to data-quality assurance
- **Developing contingency and incident-response plans for AI-related failures or misuse,** such as misinformation incidents, model malfunctions, or rapid rollback needs.

"Taken together, these trends signal that 2026 will be a pivotal year – a point where AI moves from experimentation toward early scaling, expanding both its strategic value and the breadth of risks organizations must manage," says **Subran.**

How do you view the impact that AI is having on your industry?



Respondents: 1,084
Source: Allianz Risk Barometer 2026

Almost half of **Allianz Risk Barometer respondents** (44%) believe AI is bringing more benefits to their industry than risks. However, almost a fifth (19%) say they see more risks than benefits from AI.

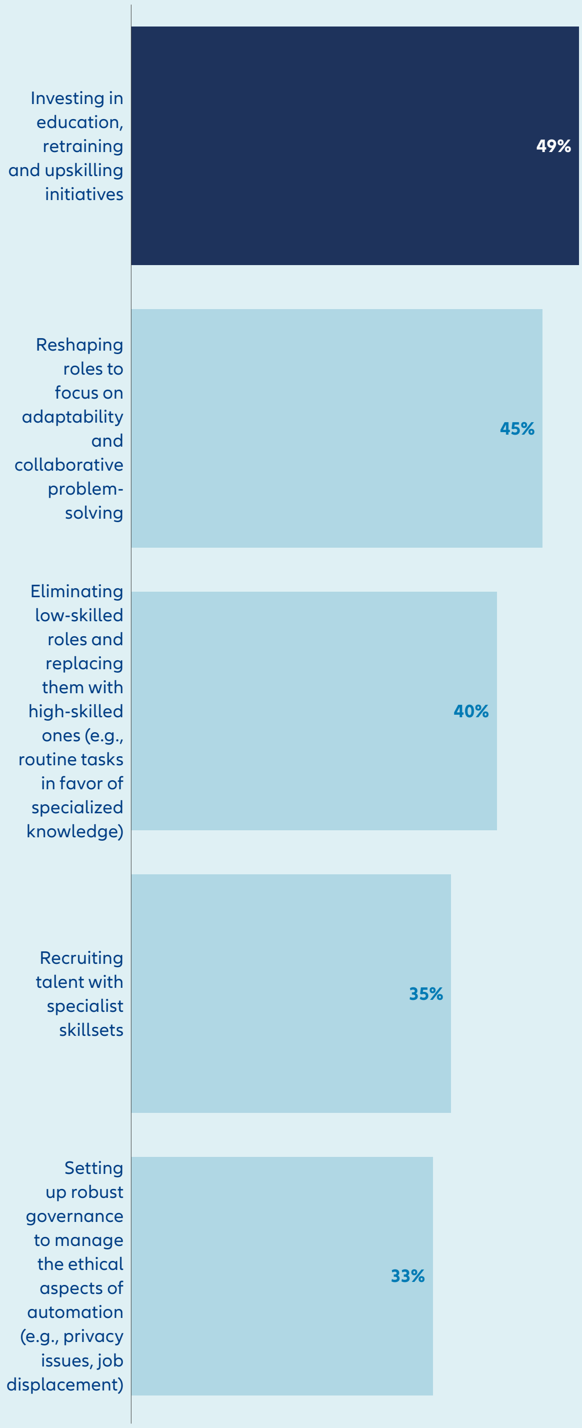
"There will be many opportunities with AI, but there is also huge uncertainty about the longer-term implications for employment, cyber security, regulation and geopolitics," says **Michael Bruch, Global Head of Risk Consulting Advisory Services, Allianz Commercial.** *"Many also question whether we are in an AI bubble. There are potentially huge opportunities for organizations to use AI, but for many it has yet to be proven whether the big investments and current business models of the large technology companies will pay off. This underscores the importance of strategic investment, robust risk management, and flexibility as the AI landscape continues to evolve."*

The complexity, speed of development and disruptive nature of AI are creating some unease around the new technology, adds **Rishi Baviskar, Global Head of Cyber Risk Consulting, Allianz Commercial:**

"Many people and organizations do not yet have the necessary skills and knowledge. There are many trends to monitor and lots of solutions available. You can start to work on a proposal only to find a new development in the technology emerges. But it is important to focus on the business value and not just chase the latest technology."

How is your company addressing the impact of increased adoption of automation technologies on the workforce?

Top 5 responses



Respondents: 1,084
Figures represent how often a risk was selected as a percentage of all responses. Figures don't add up to 100% as up to three risks could be selected. Source: Allianz Risk Barometer 2026

According to **Allianz Risk Barometer** respondents, education, retraining, and upskilling initiatives are the main actions being taken by companies to mitigate the impact of increasing AI adoption on the workforce (49% of respondents). Some 45% say their companies are looking to reshape roles to focus on adaptability and collaborative problem-solving, while 40% say they are eliminating low-skilled roles and replacing them with high-skilled ones.

Given that harnessing the business benefits of AI is as much about empowering the workforce as it is about integrating AI into business workflows, it is no surprise that the top focus is on investing in education, retraining and upskilling initiatives, as well as reshaping roles, according to **Denise De Bilio, Innovation and Transformation Leader at Allianz Commercial.**

"AI brings multiple challenges including workforce skills and readiness gaps required to operate and maintain automated systems, and to use them to deliver superior business outcomes and customer value. Today, business leaders and employees lack knowledge in a technology that is rapidly maturing yet still in search of its business model. For those that do understand the technology, digital natives, there are fears about AI inaccuracy and cyber security risks," says **De Bilio.**

"The businesses who will succeed with AI will be those that excel at bringing the technology, people and processes together."

Robust risk management and governance

Organizations will also need to implement the right risk management and governance frameworks if they are to successfully capture AI opportunities, according to **Michael Bruch, Global Head of Risk Consulting Advisory Services, Allianz Commercial.** According to the **Allianz Risk Barometer**, only a third of respondents see setting up robust governance to manage the ethical aspects of automation, including privacy issues and job displacement, as one of their top three priority actions.

"To fully realize AI's potential, organizations must embrace change at every level," says **Bruch.** *"At Allianz, we are looking at using AI for automation and efficiency, for example we are exploring the use of agentic AI in underwriting to capture and process more information, more accurately and in a faster time. This not only streamlines operations but also enhances decision-making quality and customer outcomes. By freeing up our risk engineers from routine work, we can focus on delivering higher-value insights and tailored solutions. As an organization you need to be flexible, develop new skills and test AI applications with the right governance and risk management frameworks."*

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Emerging technologies take off

Artificial intelligence (AI) is not the first emerging technology, and it will not be the last.

"Technology moves at lightspeed. A year ago, AI was barely in the top 10 risks in the **Allianz Risk Barometer** *and today it ranks second,"* says **Daniel Muller, Head of Emerging Risk Trends, Allianz Commercial.** *"And AI is not the only emerging technology with the potential to disrupt. Technology risks can escalate rapidly, so organizations must embed continuous horizon scanning and stress testing into their risk frameworks to anticipate these accelerations before they become systemic threats."*

Muller highlights the rapid emergence of quantum computing, a technology that could unlock entirely new forms of cyber-attacks and undermine today's encryption standards. Almost a fifth (19%) of **Allianz Risk Barometer** respondents fear a breakthrough in quantum computing that renders current encryption obsolete, when quizzed about the most plausible "black swan" or "perfect storm" scenarios that could occur in the next five years.

However, faster, more powerful computing could also create exciting opportunities for the automotive industry, chemicals, finance and life sciences among others. According to McKinsey[7], surging investment and faster-than-expected innovation could propel the quantum computing market to US$100bn within a decade).

"Until recently, quantum computing was largely theoretical, but it is now moving rapidly toward real-world application. The pace of advancement is extraordinary – underscoring how quickly emerging technologies can shift from concept to disruption," says **Muller.**

3

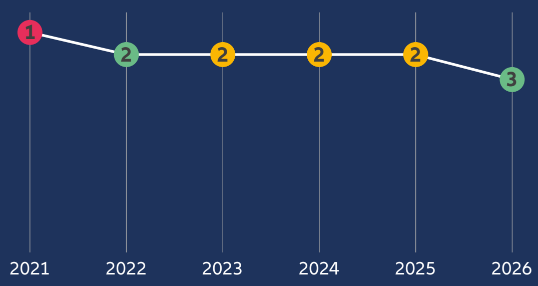
29%

Business interruption

(incl. supply chain disruption)

Ranking history:

Up on previous year
No change
Down on previous year



Top risk in:

- China
- Netherlands
- Philippines
- Singapore

Aleksandr Medvedkov / Shutterstock

Conflicts and tariffs raise questions for supply chain resilience

2025 marked a shift towards protectionist trade policies and tariff wars that brought uncertainty to the world economy. It was also a year of regional conflicts in the Middle East and Russia/Ukraine, as well as border disputes between India/Pakistan and Thailand/Cambodia and civil wars in Sudan, Ethiopia and Myanmar – a trend which continues in 2026 with the US intervention in Venezuela.

According to Verisk Maplecroft[8], business assets have seen a 22% jump in exposure to conflict areas, following an almost 90% rise in areas affected by armed fighting over the last five years (which now covers almost 5% of the inhabited world).

Unsurprisingly, political risks and violence climbs two places in this year's **Allianz Risk Barometer** to #7. The closely linked risk of changes in legislation and regulation – which includes trade tariffs – ranks #4 globally, unchanged year-on-year but with an increase in the number of respondents, driven by concerns about growing protectionism.

In fact, global supply chain paralysis due to a geopolitical conflict ranks as the most plausible "black swan" scenario likely to materialize in the next five years (51%), according to **Allianz Risk Barometer** respondents. Mass social unrest and political instability impacting business continuity ranks #4 (29%).

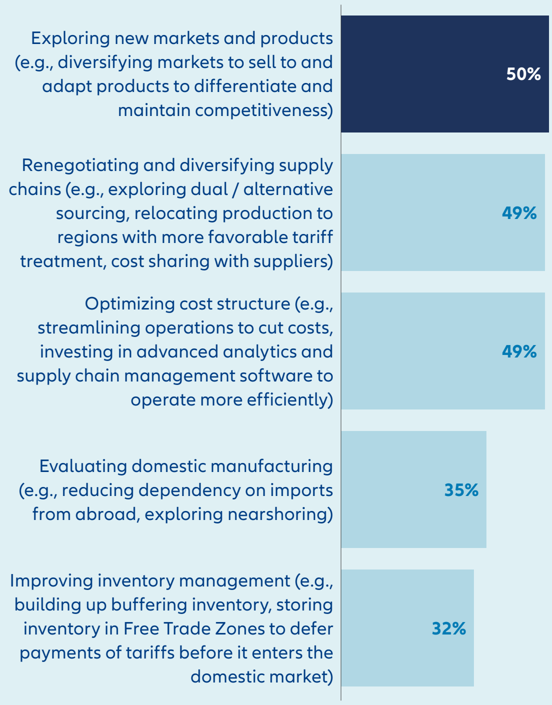
Global trade and supply chains are being reshaped in a world divided by geopolitics, protectionism, and the effects of climate change. In the past year alone, trade restrictions have tripled to affect an estimated US$2.7trn of merchandise according to **Allianz Trade** – nearly 20% of global imports – fueling trends such as friendshoring and regionalization.

When asked how their company is addressing shifting trade and investment patterns – including the impact of tariffs – half of **Allianz Risk Barometer** respondents say they are exploring new markets and products. Almost half (49%) are renegotiating and diversifying supply chains, while a similar number say they are streamlining operations to cut costs, and/or investing in advanced analytics and supply chain management software *(see graphic)*.

Just over a third (35%) are exploring nearshoring and evaluating domestic manufacturing options, while 32% are looking to improve inventory management, including storing inventory in Free Trade Zones.

How is your company addressing the shifting trade and investment patterns and related impact of fluctuating tariffs on the global supply chain?

Top 5 responses



Respondents: 970
Figures represent how often a risk was selected as a percentage of all responses. Figures don't add up to 100% as up to three risks could be selected. Source: Allianz Risk Barometer 2026

During a year where global trade has come under pressure, businesses worldwide have had to rethink their approaches, but for now they are preferring to reconfigure and pursue diversification rather than relocating operations which could take years and involve high costs, explains **Denise De Bilio, Innovation and Transformation Leader at Allianz Commercial.**

"Businesses' success will depend on their ability to navigate complex geopolitical relationships, manage increased costs and adapt to changing production landscapes across regions. We also see that businesses are investing in new tools and software to have increased visibility and better oversee the performance of their supply chain and supplier network," says **De Bilio.**

Integrated resilience strategies needed to counter growing complexity and interconnectivity of risks

Despite the lessons of the Covid-19 pandemic and geopolitical shocks such as the war in Ukraine, many companies are not confident in the resilience of their supply chains – only 3% of respondents rate their supply chains as "very resilient" in this year's **Allianz Risk Barometer**. Just over half (58%) of respondents believe their companies' supply chains to be "somewhat resilient" while almost a third (32%) believe they are "resilient" to disruptions caused by geopolitical conflicts, shifting trade patterns or critical infrastructure failures.

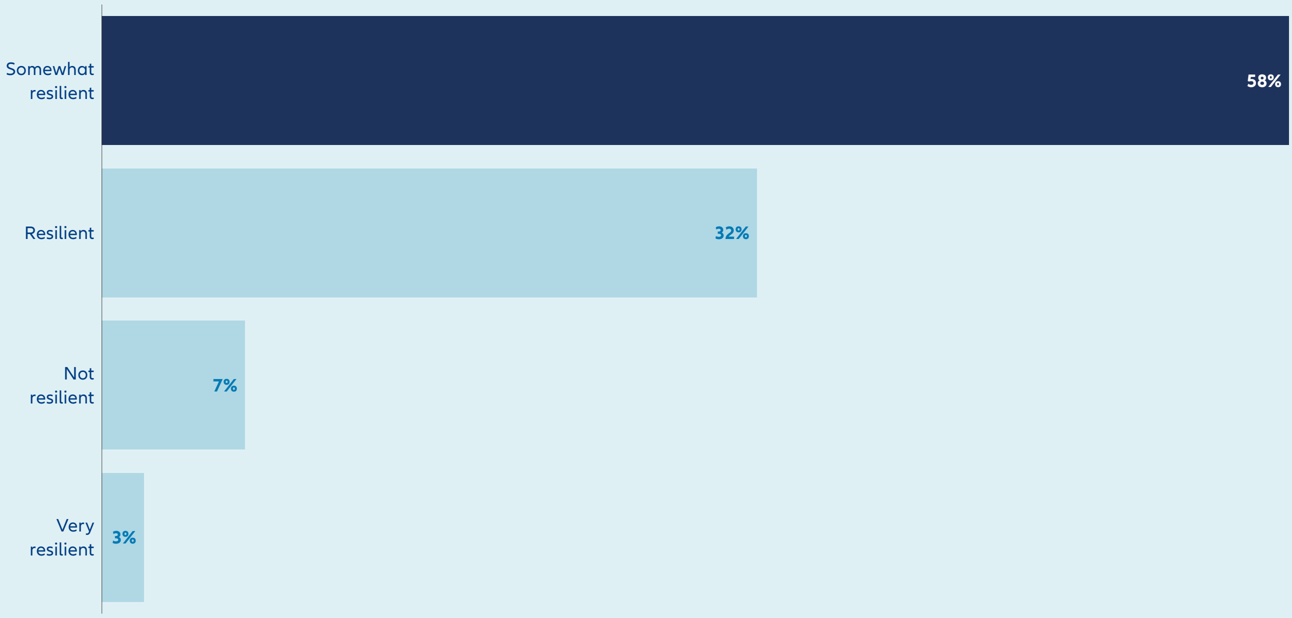
"Only 3% of respondents in this year's **Allianz Risk Barometer** *rate their supply chains as 'very resilient'. Supply chain disruption and business interruption remain critical concerns, now amplified by cyber threats, geopolitical shocks, and climate-related risks. The reality is that businesses may face multiple crises simultaneously: for example, a severe weather event disrupting supply chains while a cyber-attack or critical infrastructure failure unfolds in parallel,"* says **Daniel Muller, Head of Emerging Risk Trends, Allianz Commercial.**

As risk becomes more complex and interconnected businesses will need to take a more holistic approach to resilience.

"Historically, risks were managed in silos – climate, geopolitical, and cyber threats were often treated separately," explains **Muller.** *"Today, that approach is no longer viable. Organizations must adopt an integrated resilience strategy that combines cyber defense, AI governance, supply chain diversification, climate adaptation, geopolitical monitoring, and crisis response. True resilience comes from connecting these capabilities into a cohesive framework.*

"Companies now need to have forward-looking approaches to managing risk, including dynamic horizon scanning, scenario modeling, and rigorous stress testing. And because risks are deeply interconnected, a global, cross-functional crisis response is essential. When disruption strikes, every part of the organization must act in alignment to ensure resilience and continuity."

How resilient are your company's supply chains to disruptions caused by geopolitical conflicts, shifting trade patterns or critical infrastructure failures?



Respondents: 970
Source: Allianz Risk Barometer 2026

An integrated resilience strategy can also help avoid unintended consequences as companies adapt their operations and supply chains in response to geopolitical risks and sustainability concerns. For example, diversifying or reshoring supply chains due to changes in tariffs could increase the risks of disruption from natural catastrophes, cargo theft or cyber-attacks. Or changes to a product to address sustainability or product safety concerns could create new supply chain vulnerabilities or health risks.

The heightened risk landscape elevates the role of a risk manager. However, the risk management function will need to continue to adapt and build on its strengths to take into account the opportunities created by transformative trends like AI and the energy transition, as well as the increase in interconnected and systemic risks, according to **Michael Bruch, Global Head of Risk Consulting Advisory Services, Allianz Commercial.**

Gumbariya / Shutterstock

"This ongoing evolution reflects the growing complexity, accelerated speed of change, and interconnectedness of risks, requiring risk managers to expand their focus and leverage new tools and approaches. Risk management has always played a critical role in protecting organizations, and now its influence is expanding as it becomes even more integrated with other key business areas. By building on established expertise and embracing collaboration, risk leaders can help organizations anticipate emerging threats and capitalize on new opportunities," says **Bruch.**

Businesses will also need proactive mitigation rather than just focus on preventive action. The combination of data, AI, advanced analytics and more affordable sensors will increasingly enable companies to identify and predict likely sources of loss and invest in preventive actions, therefore avoiding costly damage and business interruption. These advancements allow risk managers to enhance traditional practices with predictive insights, supporting more resilient and agile organizations.

"As insurers and risk consultants, we are investing heavily in technology to expand and enhance our resilience services. In our role as risk engineers, as advisors in loss prevention and resilience, we are engaging very early in the risk management cycle of our clients. Our involvement enables us to support clients throughout the entire risk life cycle, from early identification and mitigation to effective risk transfer and recovery. This A-to-Z role of insurers is becoming more important in the risk management cycle of our clients," says **Bruch.**

AI is emerging as a critical enabler for managing today's complex and interconnected risk landscape, adds **Muller**:

"It can accelerate risk analysis across domains such as cyber, climate change, and supply chain, while enhancing predictive capabilities for critical infrastructure, facilities, and machinery. Beyond detection, AI offers a powerful tool for understanding and mitigating systemic and emerging risks.

"At Allianz, we are already leveraging AI to make underwriting risk assessments faster and more accurate, and to support clients in making informed decisions on mitigation and loss prevention. The next frontier is scaling these capabilities to deliver real-time insights and proactive resilience," says **Muller.**

4

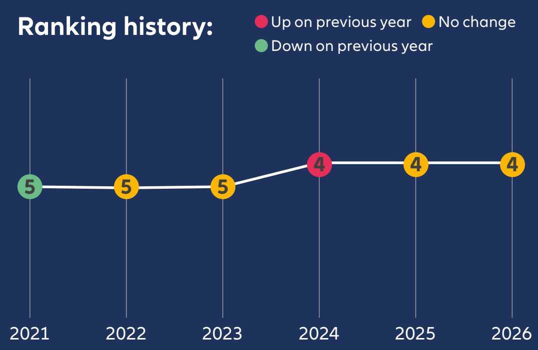
26%

→

Changes in legislation and regulation

(e.g., tariffs, new directives, sustainability requirements)

Ranking history:



Top risk in:

Canada

Romania

Haikalceriativemark / Adobe Stock

Divergence is the defining regulatory risk of 2026. Firms will operate in a world where major jurisdictions are moving in different directions with regard to digital/AI, prudential and sustainability rules.

This risk remains in the same position as last year, at #4. At first glance, that stability may seem surprising. After the volatility in tariffs seen during 2025, 2026 appears set to offer some relief for global trade. And on the regulatory front, deregulation is the prevailing political narrative – not only in Washington, but also in Brussels, where the EU Commission has pledged to cut administrative burdens. Businesses might be expected to welcome this shift. Yet the reduction in the volume of new rules carries a significant downside: growing divergence.

Many businesses are clearly concerned about the strategic divergence in how major economies are recalibrating digital, financial and sustainability frameworks. While the US appears set to continue its broad deregulatory push aimed at lowering business costs and boosting competitiveness, Europe is likely to pursue selective regulatory simplification while maintaining its long-standing commitment to robust rules and safety. Meanwhile, China is expected to maintain its calibrated approach, seeking to foster innovation while preserving state oversight and strategic control of key sectors.

"This divergence is fast becoming a critical driver of global risk: it fragments compliance expectations, reshapes competitiveness, and increases uncertainty at a time of geopolitical, technological, and financial volatility. Three structural fault lines stand out," according to **Ludovic Subran, Chief Economist, Allianz.**

New Africa / Shutterstock

> "For global firms, the risk is profound: technological fragmentation

Digital and AI regulation will be the most strategically consequential risk domain in 2026

The EU has begun implementing the AI Act alongside the recently published Digital Omnibus Regulation, which aims to streamline and clarify elements of the EU's extensive digital rulebook. However, simplification does not eliminate uncertainty; key operational, governance and liability concepts will continue to evolve through delegated acts, guidelines and the upcoming Digital Fitness Check. At the same time, the US is placing growing diplomatic and commercial pressure on the EU to avoid overregulating Big Tech and AI, warning that stringent rules could undermine innovation, competitiveness and transatlantic digital trade.

Meanwhile, the US itself is pursuing a flexible model based on different rules for different sectors, while China is pairing rapid AI deployment with state-driven controls. The result is triangular regulatory fragmentation in AI governance: Europe prioritizes safety and rights, the US favors innovation flexibility and China emphasizes state control and data localization.

"For global firms, the risk is profound: technological fragmentation. AI systems and data processes may require redesign, localization, or differentiated governance models across markets, raising costs, delaying deployment, and increasing the risk of enforcement action," says **Subran.**

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Banking regulation is entering a phase of structural fragmentation

The US is reconsidering the Basel "endgame" in order to relax capital and liquidity requirements. The UK is pursuing a similar, competitiveness-driven recalibration. In contrast, the EU remains committed to strictly implementing Basel. This creates a gap in the level playing field, with European institutions potentially carrying higher structural capital and compliance burdens than their peers in the US or Asia. While lighter requirements do not automatically imply more lending, 2026 could see regionally divergent financing conditions emerge.

Sustainability regulation is shifting into an era of dilution and asymmetry

The EU is easing parts of its environmental, social, and governance (ESG) agenda by narrowing the obligations of the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD). 80% of companies are now outside the scope, reporting requirements have been vastly simplified, and obligations relating to the civil liability regime and transition plans have also been scrapped. Meanwhile, the US is backing away from several federal climate commitments, and other jurisdictions are pausing or recalibrating their sustainability trajectories. The result is a fragmented global ESG environment. Multinationals face compliance asymmetry, whereby they may be judged against the strictest global standard, regardless of local requirements. This creates legal uncertainty and reputational exposure, as well as strategic misalignment between subsidiaries and markets.

> “
> While lighter requirements do not automatically imply more lending, 2026 could see regionally divergent financing conditions emerge

5

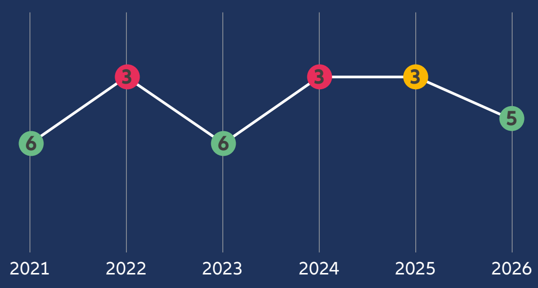
21% ↘

Natural catastrophes

(e.g., storm, flood, earthquake, wildfire)

Ranking history:

Up on previous year · No change · Down on previous year



Top risk in:

Malaysia

Bandersnatch / Shutterstock

A fall in the ranking masks a complex reality, where the threat from natural catastrophes remains high and the need for businesses to remain vigilant is as urgent as ever.

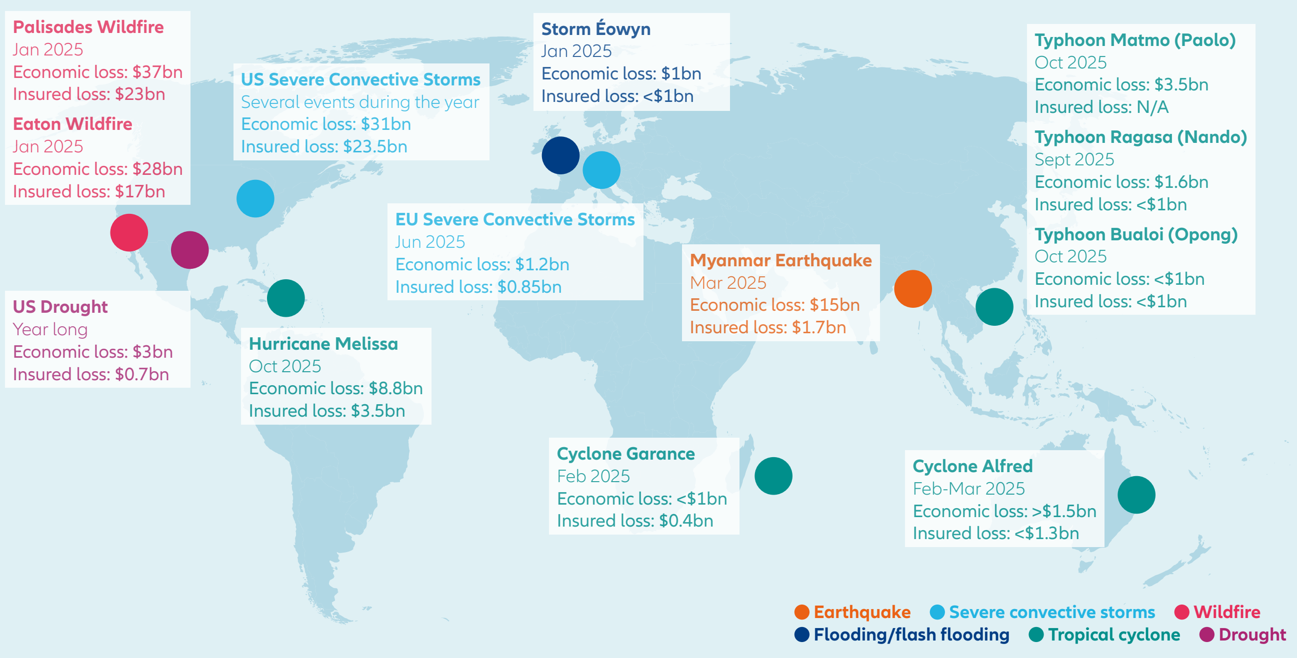
Natural catastrophes drops two places in the **Allianz Risk Barometer**, from #3 to #5, while the related risk of climate change slips from #5 to #6. This could be interpreted as respondents downplaying the risks involved, but if that's the case, the data from 2025 tells a cautionary tale. Economic and insured losses remained high, albeit lower than the 10-year average, and the evolving nature of natural catastrophes continues to pose significant challenges to businesses and the (re)insurance industry. Insured losses from natural catastrophes are set to reach US$107bn for 2025, according to Swiss Re[9] – the sixth year in a row they have exceeded $100bn, while economic losses are well in excess of $200bn.

Although natural catastrophe was only ranked #1 in one country – Malaysia – it made the top three risks in Argentina, Canada, Croatia, France, Greece, Japan, Mexico, the Philippines, Portugal, Spain and Thailand.

The year got off to an active start, with the Palisades and Eaton wildfires in California. Economic losses for these are estimated to be $65bn, of which around $40bn were insured[10]. Wildfires have never caused such extensive damage[11].

A close-to-average North Atlantic hurricane season undoubtedly helped moderate losses this year. Of the 13 storms that formed, only three made landfall and, for the first time in 10 years, no hurricane made landfall in the US. Hurricane Melissa, however, was a reminder of the devastation a single storm can cause.

Main natural catastrophe events in 2025



Sources: Gallagher Re; PERILS; Munich Re; Wikipedia; Reinsurance News; Aon; Encyclopedia Britannica; World Bank.
Graphic by Allianz Commercial

Ringo Chiu / Shutterstock

V Drone / Shutterstock

"This year's **Allianz Risk Barometer** *suggests some businesses are overlooking long-term risks like climate change, but the lower than average losses for natural catastrophe in 2025 are no reason to diminish the importance of the risks it presents,"* says **Mabé Villar-Vega, Senior Catastrophe Risk Research Analyst at Allianz Commercial.** *"When natural catastrophes are not making headlines, awareness of these issues might fade, potentially causing preparedness for such events to slip down a company's priority list."*

Lessons from events in 2025

Natural catastrophes should remain a fixture on the business risk radar, says **Villar-Vega,** as these events from 2025 illustrate:

- Climate change increases the risk of wildfires like those seen in California in January, 2025. An abnormal dry phase in 2024 caused an excess of dry, highly flammable brush. Once the fires started, the Santa Ana winds (strong winter winds in California) quickly spread the flames

- Climate change makes large tropical cyclones, like Hurricane Melissa and Super Typhoon Ragasa, more likely. It only needs one typhoon hitting in the right place to disrupt global supply chains

- The Myanmar earthquake in March was a reminder that earthquakes are a latent risk in several regions around the world

- Landslides, like the one resulting from the collapse of the Birch Glacier in Valais, Switzerland, are likely to become more common due to climate change. In this case, the landslide almost completely buried the town of Blatten, resulting in overall losses[12] of $0.5bn ($0.4bn insured).

The dangerous potential of "secondary" perils

In 2025, "secondary" or non-peak perils – flooding, severe thunderstorms, and wildfires – drove substantial losses: economic losses in the first half of the year were $106bn; insured losses were estimated to be $77bn[13]. Europe recorded its worst wildfire season[14] in terms of burnt area, with over one million hectares burned[15].

"These events demonstrate that losses from perils once considered secondary are now comparable to traditional 'peak' risks, with climate change amplifying both their frequency and severity," says **Keerthy Mohandas, Catastrophe Risk Research Analyst at Allianz Commercial.** *"This blurring of lines between primary and secondary perils underscores the need for insurers and reinsurers to integrate emerging hazards into their nat cat risk assessment, capital planning, and resilience strategies."*

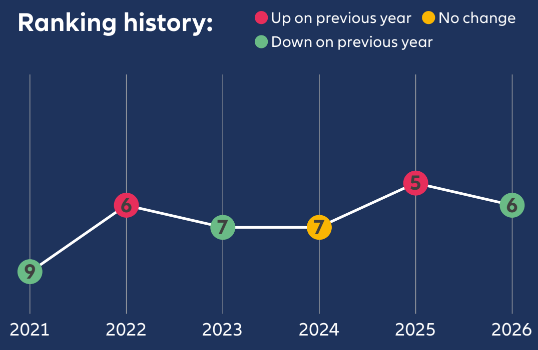
6

19%

Climate change

(e.g., physical, operational, and financial risks as a result of extreme weather)

Ranking history:



Bilanol / Shutterstock

Climate change falls one place in the **Allianz Risk Barometer**, but the increasing severity and frequency of related perils continue to pose ongoing operational and financial challenges to businesses.

2025 marked yet another year of record global losses and growing climate risk. The year's standout event was the California wildfires in January, which took place outside the traditional fire season and spread quickly in urban areas, incurring insured losses of $40bn, according to Swiss Re[16]. Along with severe convective storms, the wildfires were a main driver of the $100bn+ global natural catastrophe losses incurred in 2025, of which $89bn were in the US.

Climate change features as a top three risk for four European countries – Austria, Greece, Italy, and Netherlands – alongside the Philippines and Thailand in Asia. Austria experienced intense heat, flood, drought, and storm events in 2025, while Greece was hit by major wildfires worsened by record-breaking heat and drought. In Italy and Greece it is now mandatory for companies to buy insurance for natural events including wildfires, flood and earthquake.

In Asia, a delayed onset of the tropical cyclone season brought a devastating end to the year, with flooding and landslides exerting a high human and economic toll in a region where the insurance protection gap remains high – over 80%[17].

"While the accumulation of insured assets in highly exposed areas, inflation, and economic growth remain key drivers of the upward trend we've seen in losses, shifting weather patterns are a reminder that natural catastrophe risks are becoming more volatile and in many events climate change is playing a contributing role," says **Lena Fuldauer, Head of Resilience and Business Development, Risk Consulting, Allianz Commercial.**

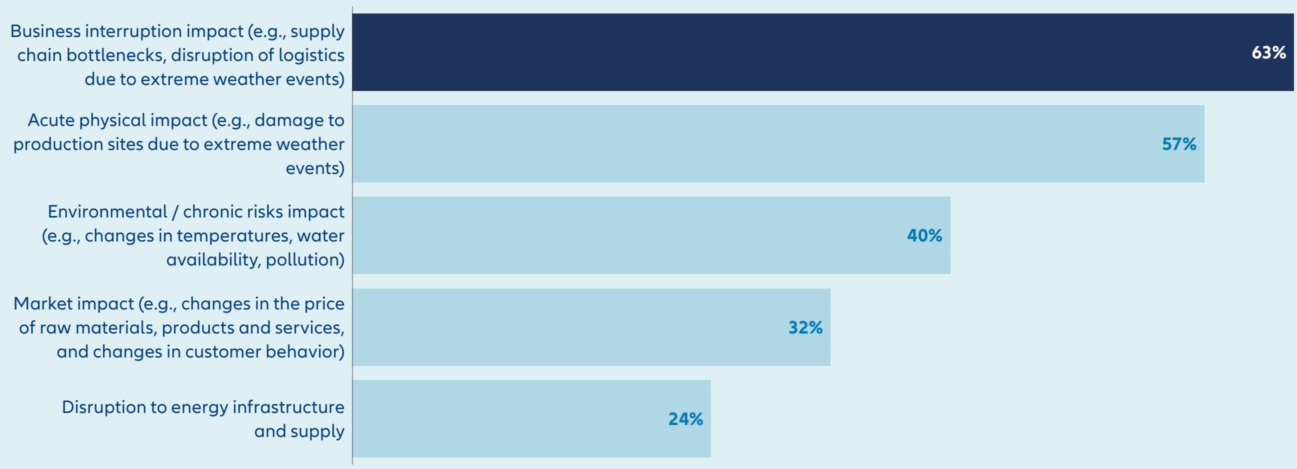
Which climate fears are uppermost for businesses?

Supply chain reliance on just-in-time manufacturing and interconnected global supply chains means a climate event in one region can have ripple effects worldwide.

"Business interruption impact is the climate concern that tops the list [63%] according to **Allianz Risk Barometer** *respondents,"* says **Denise De Bilio, Innovation and Transformation Leader, Allianz Commercial.** *"An example of what's at stake is the November flooding in South-East Asia, specifically Thailand, which is projected to cut rubber output by up to 90,000 metric tons causing an estimated loss of $140mn[18], raising concerns over global supply and price volatility of the commodity in 2026."*

Which impact of climate change does your company fear the most?

Top 5 responses



Respondents: 639
Figures represent how often a risk was selected as a percentage of all responses. Figures don't add up to 100% as up to three risks could be selected.
Source: Allianz Risk Barometer 2026

Physical impact, such as damage to production sites due to extreme weather events, ranks #2 at 57%, while environmental / chronic risks impact is #3 (40%). This reflects a world increasingly exposed to rising sea levels, higher temperatures, changing land use, and urbanization. Heatwaves and flooding can reduce agricultural yields and disrupt food production, while water scarcity can affect water-intensive industries.

"Connected to this are concerns around disruption to energy infrastructure and supply, which were an issue for a quarter of respondents," says **Fuldauer.** *"Businesses that depend on water for generation or for cooling are increasingly vulnerable to heat and drought, which can impact energy reliability."*

What mitigation steps are businesses taking?

Businesses remain under pressure to change their climate ways – 2030 is a key year for many national and corporate sustainability targets, and the regulatory environment remains stringent.

According to **Allianz Risk Barometer** respondents, the top three steps businesses are taking to address sustainability risks are: adapting carbon-reducing business methods; creating contingency plans for climate change-related eventualities; and adapting or increasing insurance protection.

"The fact that the top 5 risks [see graphic] are similarly rated is significant," says **Fuldauer.** *"Companies are addressing evolving sustainability risks both from a transition perspective – such as improving their internal efficiency – as well as to boost their climate resilience."*

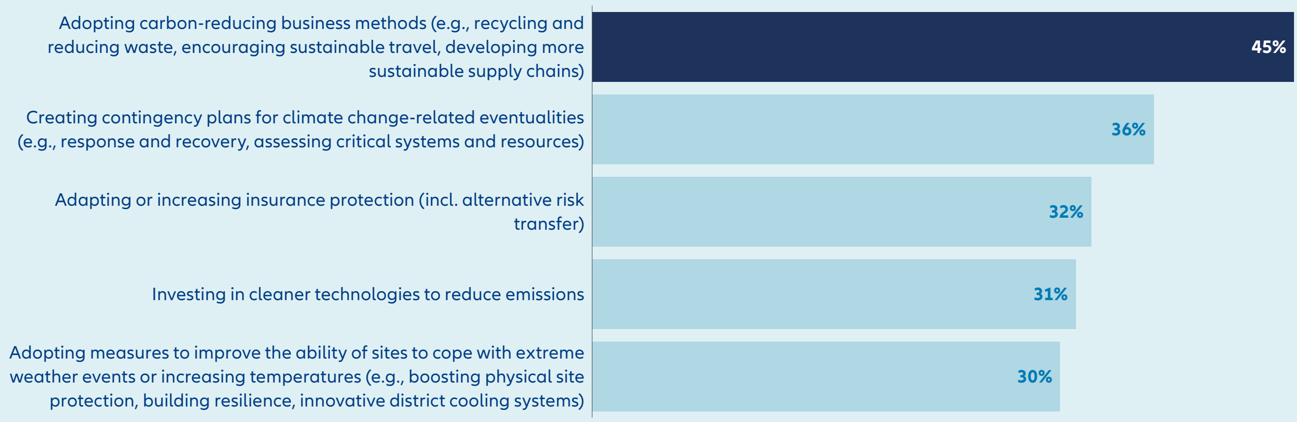
Contingency planning can involve building up workforce resilience via remote working, supply chain diversification, and investing in infrastructure to withstand and recover speedily from disasters and disruptions.

Adapting insurance protection highlights how the sector can support businesses in de-risking investments in cleaner technologies, like carbon capture and storage, through risk-financing tools, making projects investable and speeding up deployment.

"The increasing severity and frequency of climate perils are likely to pose ongoing operational and financial challenges to businesses, with the indirect economic cost of climate events leading to loss of production, loss of revenue and reputational risks exceeding the direct physical economic losses to assets," says **De Bilio.** *"With year-on-year losses from natural catastrophes and climate hazards continuing to intensify, there is a real imperative for businesses to act."*

How is your company addressing evolving sustainability risks to focus on reducing its carbon footprint and increasing positive environmental impact?

Top 5 responses



Respondents: 639
Figures represent how often a risk was selected as a percentage of all responses. Figures don't add up to 100% as up to three risks could be selected.
Source: Allianz Risk Barometer 2026

7

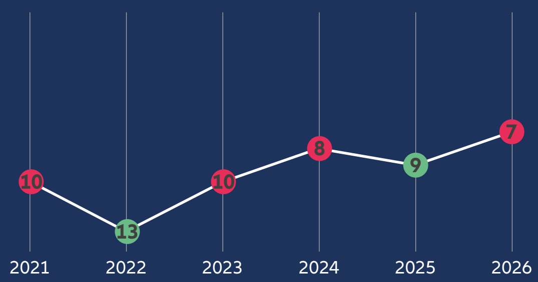
15%

Political risks and violence

(e.g., war, political instability, terrorism, polarization, coup d'état, civil unrest, strikes, riots, looting)

Ranking history:

Up on previous year · No change · Down on previous year



Mr.Nino / Shutterstock

Climbing two positions to an all-time high of #7, the concerns of clients and partners, large and small, for the year ahead are clear.

War perils are a big fear in 2026, according to **Allianz Risk Barometer** respondents with 53% of the votes (up from 48% in 2025), closely followed by civil unrest threats, which have dominated conversations over the past 24 months (49%). Terrorism and sabotage ranks #3 in the political risks and violence section of the survey (46%).

"When you look through the rearview mirror it is easy to see why the war peril has risen to this high, as well as why the percentage of the vote has increased over the last 12 months," says **Srdjan Todorovic, Global Head of Political Violence and Hostile Environment Solutions at Allianz Commercial.** *"Reflecting on 2025, we have seen a level of political global turbulence and interstate skirmishes which we haven't seen for decades – a trend which continues in 2026 with the US intervention in Venezuela."*

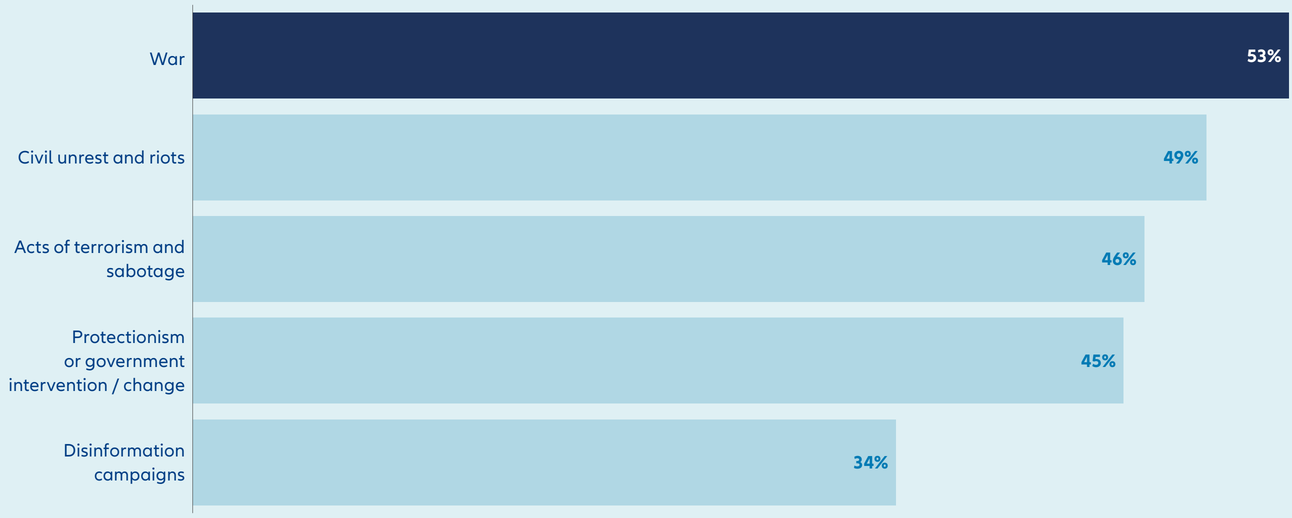
The 12-day war between Iran and Israel, and subsequent US involvement, during 2025 was particularly significant. It shifted red lines and boundaries in the Middle East from proxy wars to direct state conflict. It also served as a launch pad for a more bolshy US stance in other regions, including towards Venezuela, where it later removed president Nicolás Maduro.

Beyond the Middle East, there were also open hostilities in Africa and Asia – between Rwanda- backed rebel group (M23) and DR Congo; India and Pakistan; and Thailand and Cambodia for example. Meanwhile, existing static conflicts in Sudan and Ethiopia reached new and deadly levels.

Tensions between Serbia and Kosovo escalated, albeit they were quickly dampened by US intervention. However, potential new problems are being noted and monitored in Mozambique and Tanzania. Although these have been deadly, the scale of issues is relatively localized, for now.

It is little surprise then that business assets have seen a 22% jump in exposure to conflict areas, following an almost 90% rise in areas affected by armed fighting over the last five years (which now covers almost 5% of the inhabited world), according to Verisk Maplecroft[19].

Which risks are your company most worried about?
Top 5 responses



Respondents: 496
Figures represent how often a risk was selected as a percentage of all responses. Figures don't add up to 100% as up to three risks could be selected.
Source: Allianz Risk Barometer 2026

Looking beyond war perils, the risk of terrorism, and especially sabotage, has increased sharply over the last 12 to 18 months. On top of the tragic recent attacks on Jewish communities in Manchester, UK and Bondi Beach, Australia, we have seen a rise in grey-zone sabotage attacks across Europe in recent years, with Associated Press[20] reporting 145 incidents in Europe alone. Most are attributed to Russian-state sponsored actors with the aim of undermining local governments and populations. Although these acts have caused little actual damage, they have resulted in a big allocation of security resources to policing and monitoring key infrastructure, with Poland recently deploying 10,000 troops[21] to protect its own, for example. Further resources have been allocated by NATO and European partners to enhance maritime security and key offshore infrastructure such as energy assets and telecommunication cables.

"This is before you factor in how much time and money has already been spent in the private sector on enhancing physical and cyber security at their own sites," says **Todorovic.**

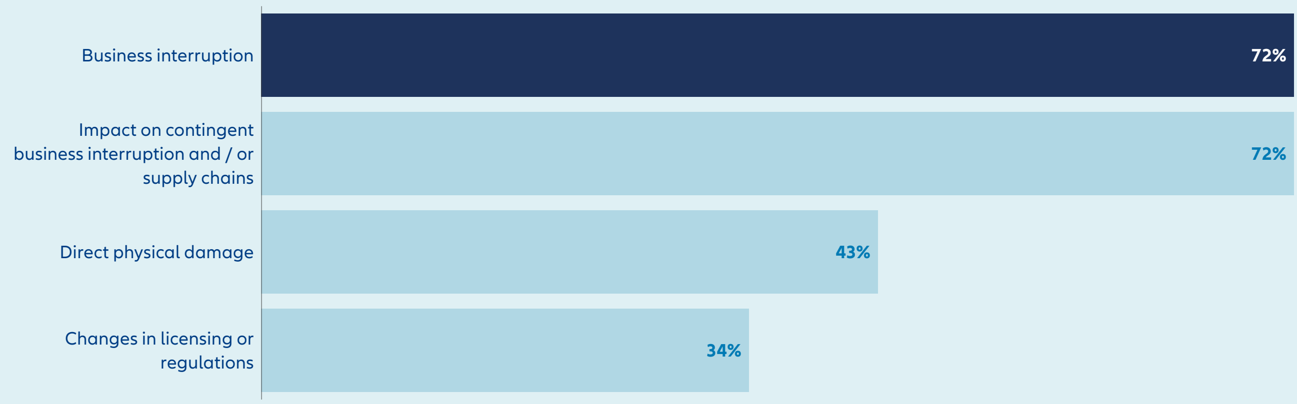
Meanwhile, 2026 also began with German left wing militants protesting over the climate crisis and artificial intelligence (AI) claiming responsibility for an arson attack that cut power to tens of thousands of households in Berlin[22]. This was the latest in a number of power sabotage incidents in Germany, raising concerns about the risk of more extreme environmental activism in Europe, given the rowing back of net zero targets and perceived slow political progress.

> Shifting global alliances and economic realignment; war in Ukraine; tariff wars; rising xenophobia and anti-immigration protests in Europe; decreasing trust in governments; and the deepening economic crisis globally – it is not hard to see why political risk and violence perils have risen sharply over the last 12 months

"Shifting global alliances and economic realignment; war in Ukraine; tariff wars; rising xenophobia and anti-immigration protests in Europe; decreasing trust in governments; and the deepening economic crisis globally – it is not hard to see why political risk and violence perils have risen sharply over the last 12 months and are front of mind for risk industry professionals. Businesses need to hope for the best but make sure they are prepared for the worst," says **Todorovic.**

Which particular impact concerns your company most?

Top 4 responses



Respondents: 496
Figures represent how often a risk was selected as a percentage of all responses. Figures don't add up to 100% as up to three risks could be selected.
Source: Allianz Risk Barometer 2026

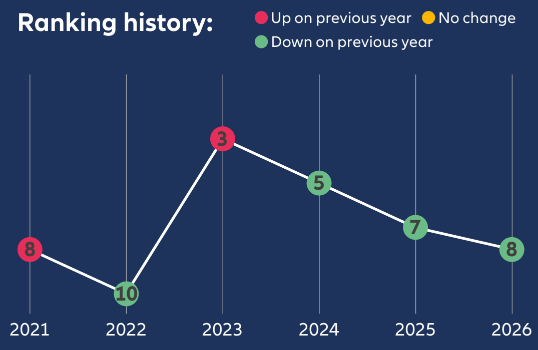
8

14%

Macroeconomic developments

(e.g., inflation, deflation, monetary policies, austerity programs)

Ranking history:



Top risk in:

Turkey

Resilience remains the headline, but the deeper story is one of shifting growth engines and rising complexity.

As we enter 2026, the most striking feature of the global economy is its resilience. Despite the profound geopolitical shifts of 2025 – triggered by the introduction of "America First" policies in the form of sweeping tariffs, withdrawals from multilateral frameworks, and the weakening of traditional alliances – the global economy performed better than anticipated. Businesses proved adept at anticipating and adapting to tariff shocks, and the world avoided a full-scale trade war. This resilience may help explain why many businesses once again view macroeconomic developments as a comparatively lower risk in 2026. According to the **Allianz Risk Barometer**, macroeconomic concerns slipped one spot to #8.

Allianz Research expects the global economy to maintain a cruising speed of 2.9% in 2026, consistent with the pace of the past three years. However, this continuity in headline growth masks a world in transition. The post-World War II rules-based international order gave way in 2025 to a more fragmented, multipolar landscape. In 2026, the dust will begin to settle and the contours of this "new normal" – and its implications for the global economy – will become clearer.

> The message for businesses is clear: even as the global economy shows impressive resilience, the operating environment is becoming more volatile, more fragmented, and more strategically contested

Beneath steady global growth, the sources of momentum are already shifting: US economic growth will accelerate to 2.5% as trade uncertainty eases, household incomes receive support from tax cuts, and investment broadens beyond artificial intelligence (AI)-linked activity. In Europe the implementation of the German stimulus package is expected to deliver much-needed momentum. Not only will it help lift Europe's largest economy out of multi-year stagnation but in addition it should cushion a broader eurozone slowdown – with growth expected to slow to 1.1% – after an exceptionally strong prior year. Emerging markets, expanding 4.1%, remain the world's anchor of growth, even as China decelerates to 4.7% with waning fiscal stimulus tailwinds. India will power ahead with 6.5% growth, likely surpassing Japan as the world's fourth-largest economy in 2026.

This realignment unfolds against a backdrop of elevated uncertainty. Key risks include potential shifts in US policy – from Federal Reserve leadership changes to tariff fluctuations and mid-term election outcomes – alongside intensifying geopolitical tensions, ranging from an escalation in Ukraine including a NATO-Russia involvement to a breakdown of the US-China trade truce, and financial risks including a possible AI-related equity market correction and turbulence in private credit markets.

As **Allianz Chief Economist Ludovic Subran** emphasizes:

"In 2026, resilience remains the headline, but the deeper story is one of shifting growth engines and rising complexity. Against a backdrop of heightened policy and geopolitical uncertainty, global momentum will increasingly be shaped by new powerful structural forces – from trade and migration constraints to the rapid acceleration of AI and a comeback of industrial policy – intersecting with familiar pressures such as elevated debt levels and stretched market valuations.

"The message for businesses is clear: even as the global economy shows impressive resilience, the operating environment is becoming more volatile, more fragmented, and more strategically contested. Companies that anticipate these shifts and adapt early will be best positioned to navigate risks and seize emerging opportunities."

Insolvency outlook

According to **Allianz Trade**, 2026 will mark a fifth consecutive rise in global business insolvencies.

This year, **Allianz Trade** expects corporates' resilience to be put to the test by a batch of critical vulnerabilities. First, a prolonged weakness of economic growth, with the pace in the eurozone expected to remain below the threshold needed to stabilize insolvencies. Second, compared to the past decade of monetary abundance, the tight (re) financing conditions, with persistently high interest rates and limited credit supply straining debt-heavy and capital-intensive businesses, especially SMEs. Third, the combination of chaotic international political, climate, and trade tensions, pushing the redeployment of supply chains. And fourth, the changes in the competitive landscape, with the surge in business creations and some sector-specific weaknesses, with vulnerabilities most acute in construction and automotive due to high interest rates, technological disruption and increased competition.

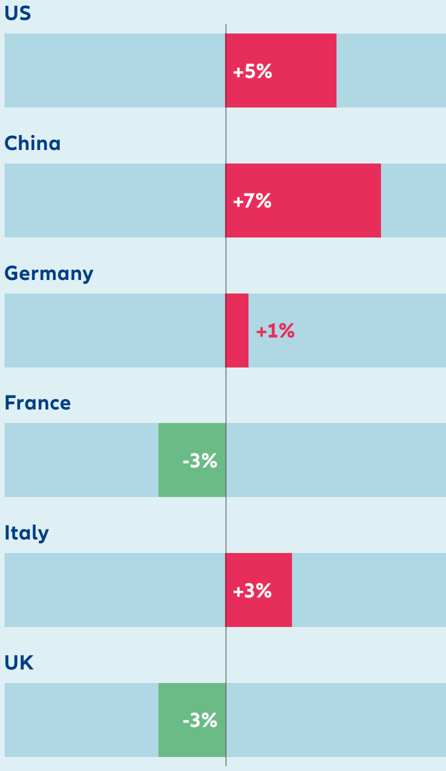
Global business insolvencies will reach a new height

Additionally, as mitigation strategies wear thin and secondary effects kick in, the trade war's effects could soon weigh on companies' outlooks. Risks of domino effects, through rising number of large insolvencies, are increasing too, which results in heightened non-payment risks. All these parameters lead **Allianz Trade** to expect global business insolvencies to grow by +3% in 2026 (after +6% in 2025).

This rise would be driven primarily by North America (+4%) and Asia (+4%). Central and Eastern Europe, and Latin America (+5% and +3%, respectively) are expected to experience another rise for the fourth year in a row. Western Europe would be an exception on the downside, but the regional decrease would be limited (-2%), notably compared to the past four years (+14% annually on average).

"Five consecutive years of global insolvency increases is unprecedented since the financial crisis. This outlook is driven by a few key countries, primarily the US (+5%), China (+7%), and Germany (+1%), which account for a major portion of our global insolvency index. Yet, in the rest of the world, we anticipate a downward trend reversal that will remain moderate and still synonymous with a high number of insolvencies, with two out of three countries showing noticeably more bankruptcies than before the pandemic," explains **Maxime Lemerle, Lead Analyst for Insolvency Research at Allianz Trade.**

2026 Insolvency growth forecast



Source: Allianz Trade

Tech and AI boom could fuel further insolvencies

In recent years, business creation has accelerated, particularly in Europe, where new registrations were 9% higher in 2021 to 2024 compared to 2016 to 2019, and in the US where business applications are 36% higher. This proliferation of new businesses increases insolvency risks through multiple mechanisms.

"The risks associated with the surge in business creations, fueled by the digital transition and the rise of artificial intelligence (AI), are twofold. First, there's the acceleration of Schumpeter's 'creative destruction' (where innovation destroys old industries and technologies while simultaneously creating new, more efficient ones). Second, the end of the AI-induced boom, as we estimate that a shock similar to the dotcom bubble could lead to an extra +4,500 insolvent companies in the US, +4,000 in Germany, +1,000 in France and +1,100 in the UK," concludes **Lemerle.**

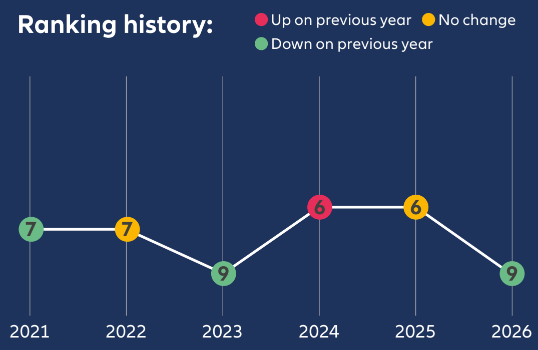
9

13%

↘

Fire, explosion

Ranking history:



vichie81 / Shutterstock

Few things can be more destructive than a fire. Not only can one cause costly damage, but it can also interrupt a firm's operations indefinitely, ensuring it is a perennial top 10 global risk for businesses.

Fire risks are well understood by businesses and typically well risk managed. However, fire remains a significant cause of business interruption (BI) and supply chain disruption, especially where critical components such as semiconductor chips or automotive components are concentrated geographically or are among a small number of suppliers.

Allianz Commercial analysis of more than 1,000 BI insurance industry claims over a five-year period ending in 2023 (with a value in excess of US1.3bn), shows fire is the most frequent driver of these claims and accounts for over a third of the entire value (36%).

The degree of disruption can be very high, as it can take longer to recover from than many other perils, and the impact on suppliers can often be great. For example, pharmaceutical and chemical sectors deal with highly flammable and explosive materials. Damaged plants can sometimes take years to rebuild and get production back up and running to full capacity.

Fire has also become an elevated risk with electrification and the growing prevalence of lithium-ion batteries. Inadequate handling, storage or transportation of these batteries has been linked to an increasing number of fire incidents on land and at sea in recent years.

Regularly assessing and updating prudent fire mitigation practices, including preventive measures, fire extinguishing methods and contingency planning remain essential for all businesses to lower the risk of loss from any incident.

Fire, explosion ranks as a top five global risk in these industries

Engineering, construction, real estate

3

Food and beverages (manufacturing and supply)

4

Manufacturing (other industries)

4

Mining

4

> Fire has also become an elevated risk with electrification and the growing prevalence of lithium-ion batteries. Inadequate handling, storage or transportation of these batteries has been linked to an increasing number of fire incidents on land and at sea in recent years

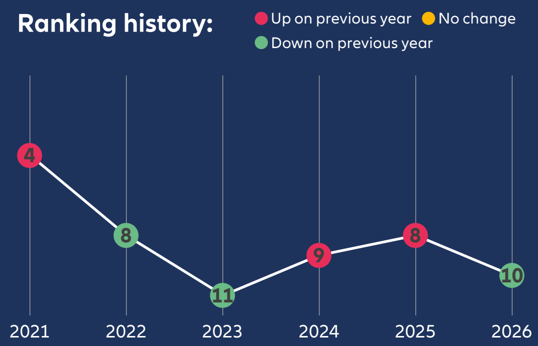
10

13% ↘

Market developments

(e.g., intensified competition / new entrants, M&A, market stagnation, market fluctuation)

Ranking history:



jo.pix / Shutterstock

Following another strong year for equity and M&A markets, businesses appear slightly more relaxed about market risks, with this risk dropping from #8 to #10 year-on-year. Yet how does this square with widespread discussion of an emerging AI bubble?

Perhaps the key lies in the character of the current artificial intelligence (AI) rally: it is arguably one of the least celebrated in recent memory. Unlike the exuberance of the late-1990s dotcom boom, today's market shows little sign of unbridled euphoria.

Market participants remain cautious. Equity valuations – especially in the US – are undeniably high, although not yet as extreme as during the dotcom bubble. There is still room for valuations to rise before reverting to more normal levels. Crucially, the AI narrative grows more compelling by the day. Evidence of successful adoption is accumulating rapidly, reinforcing expectations that AI will reshape entire industries and lift productivity growth. As a result, AI is expected to remain a dominant market driver in 2026, with the AI cycle likely to hold steady and US technology firms leading the charge. Earnings growth should support solid returns, with equity markets in the US and Europe forecast to deliver year-on-year gains of roughly 11% and 9%, respectively. However, elevated expectations also heighten vulnerability. With technology earnings surging and investors pricing in continued momentum, any signs of slowing – such as missed earnings targets – could quickly undermine confidence. A sharp market correction cannot be ruled out.

Turning to interest rates, long-term yields in 2026 are expected to stabilize around 4.25% for 10-year US Treasuries and 2.5% for German Bunds. In bond markets, fiscal uncertainty remains the chief concern. Major economies, including the US, are grappling with unsustainable public finances and persistently high deficits at a time when elevated interest rates have pushed up debt-servicing costs. Political shocks could therefore exacerbate fiscal worries and drive yields higher.

In summary: Businesses may be justified in anticipating another resilient year in capital markets marked by robust returns, strong M&A activity and relative rate stability. But there is little room for complacency.

Market developments ranks as a top 5 global risk in these industries

Manufacturing (automotive)

4

Media

4

Professional services (legal)

4

Telecommunications

4

> Businesses may be justified in anticipating another resilient year in capital markets marked by robust returns, strong M&A activity and relative rate stability. But there is little room for complacency

Top risks for smaller companies

Smaller companies lack the resources to tackle challenging risks like AI

The **Allianz Risk Barometer** top 10 risks of most concern for large (>$500mn annual revenue), mid-size ($100mn to $500mn) and smaller companies (<US$100mn) are largely consistent with the global ranking. **Cyber incidents** is the top risk for all three sizes of company, while **artificial intelligence (AI)** is a top three risk. **Business interruption** ranks #2 for both large and mid-sized but is of slightly less concern for smaller firms (#4), which rank **changes in legislation and regulation** higher (#3).

While companies of all three sizes face similar challenges today, their ability to navigate transformative trends and complex risks like AI and geopolitics differs widely. Take cyber, where AI can enable cyber criminals to increasingly go after small- and mid-sized companies, which are typically more vulnerable to attack and more susceptible to extortion.

Unlike larger companies, smaller firms tend to adopt cost-effective, scalable solutions and are therefore more reliant on third parties for their digital infrastructure, have fewer resources to invest in cyber security and resilience, and are less able to absorb the impact of a successful attack, according to **Rishi Baviskar, Global Head of Cyber Risk Consulting, Allianz Commercial.**

AI also poses challenges for smaller companies.

"AI's benefits are also accompanied by operational, workforce, governance, ethical, and reputational risks. But while larger companies will have the resources and governance to manage these risks and capture the opportunities, smaller and mid-sized companies will find it more challenging," says **Michael Bruch, Global Head of Risk Consulting Advisory Services, Allianz Commercial.** *"However, with the right support and strategies, organizations of all sizes can position themselves to benefit from AI. AI will widen the gap between those with the skills and resources to manage the risks of new technology and those that do not. This makes it even more important for all businesses to invest in upskilling, robust risk management, and collaborative approaches to ensure they can safely harness AI's potential."*

"Cyber and AI are clearly a big issue for our clients, large and small. And there is a real need to invest in loss prevention measures to protect your business, your clients and their data to avoid a major catastrophe. Smaller and mid-sized companies have limited resource and budget to invest in cyber resilience, but insurers are able to help bridge this gap with products and services," says **Baviskar.**

Top 10 risks for Smaller companies*

*<US$100mn annual revenue

Source: Allianz Commercial

Figures represent how often a risk was selected as a percentage of all responses for that company size.

Respondents: 1,051

Figures don't add up to 100% as up to three risks could be selected.

NEW New entry in the top 10 risks

1 Political risks and violence ranks higher than market developments based on the actual number of responses

Rank		Percent	2025 rank	Trend
1	Cyber incidents *(e.g., cyber crime, IT network and service disruptions, malware / ransomware, data breaches, fines, and penalties)*	38%	1 (35%)	→
2	Artificial intelligence *(e.g., implementation challenges, liability exposures, misinformation / disinformation)*	36%	NEW	↗
3	Changes in legislation and regulation *(e.g., tariffs, new directives, sustainability requirements)*	26%	2 (28%)	↘
4	Business interruption *(incl. supply chain disruption)*	21%	3 (26%)	↘
5	Natural catastrophes *(e.g., storm, flood, earthquake, wildfire)*	18%	4 (25%)	↘
6	Climate change *(e.g., physical, operational and financial risks as a result of extreme weather)*	16%	6 (18%)	→
7	Macroeconomic developments *(e.g., inflation, deflation, monetary policies, austerity programs)*	15%	5 (18%)	↘
8	Political risks and violence *(e.g., war, political instability, terrorism, polarization, coup d'état, civil unrest, strikes, riots, looting)*[1]	14%	10 (11%)	↗
9	Market developments *(e.g., intensified competition / new entrants, M&A, market stagnation, market fluctuation)*	14%	7 (17%)	↘
10	Talent or labor issues	11%	9 (13%)	↘

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About Allianz Commercial

Allianz Commercial is the center of expertise and global line of Allianz Group for insuring mid-sized businesses, large enterprises and specialist risks. Among our customers are the world's largest consumer brands, financial institutions and industry players, the global aviation and shipping industry as well as family-owned and medium enterprises which are the backbone of the economy. We also cover unique risks such as offshore wind parks, infrastructure projects or film productions.

Powered by the employees, financial strength, and network of the world's #1 insurance brand, as ranked by Interbrand, we work together to help our customers prepare for what's ahead: They trust us to provide a wide range of traditional and alternative risk transfer solutions, outstanding risk consulting and multinational services as well as seamless claims handling.

The trade name Allianz Commercial brings together the large corporate insurance business of Allianz Global Corporate & Specialty (AGCS) and the commercial insurance business of national Allianz Property & Casualty entities serving mid-sized companies. We are present in over 200 countries and territories either through our own teams or the Allianz Group network and partners. In 2023, the integrated business of Allianz Commercial generated around €18 billion in gross premium globally.

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